

Netherlands: Tourism Market Insights 2017

This tourism report provides an outlook on key market insights on a global, national and provincial scale for Netherlands. In addition, it includes key behavioural trends and characteristics of travellers from Netherlands.

Obtaining a thorough understanding of when and where travel consumers search and source their information sheds light and insight on how to effectively influence travellers' decision as they plan their next trip.

Inbound & Industry Tourism Trends:

- The Netherlands is steeped in history dating back to pre-Roman times. It is renowned worldwide for its contribution to art through painters such as Vermeer, Bosch, Rembrandt and Van Gogh. The Netherlands remains a popular tourist destination in Europe due to its lovely landscapes, vibrant architecture, and cafe culture. It is also a popular destination for cyclists as cycling is ingrained in the Dutch culture with many people using a bike as their preferred mode of transportation.
- In 2017, inbound arrivals, domestic trips and outbound departures are all forecasted to grow. Both the positive development of the major world economies and the healthy growth of the Dutch economy itself led to growth in travel flows.
- For arrivals, most growth was generated by the neighbouring countries Germany and Belgium. There was a trend towards shorter trips that were closer to home and this helped inbound tourism to develop confidently.
- The Netherlands is an attractive destination for incoming tourists and Amsterdam will remain popular; however, geopolitical tensions and the threat of terrorism might limit growth of both inbound arrivals and outbound departures. Other concerns such as the doubt surrounding Brexit may also cause complications, as well as having the potential to exercise a negative impact on travel to and from the United Kingdom.
- With regard to the brand strategy for the Netherlands as a tourist destination, the Netherlands Board of Tourism chooses to emphasize the qualities of the Netherlands as a destination for tourists who love art and design.
- The Netherlands is internationally known for famous artists such as Rembrandt, Van Gogh and Vermeer, as well as famous 20th century painters such as Mondrian. It is not just a matter of celebrating artists from the past.
- Today, the Netherlands is also well known for its modern design. By targeting tourists who are interested in art and design, the Netherlands Board of Tourism hopes to attract more affluent visitors who will not only visit Amsterdam, but who will also be tempted to go see paintings by Vermeer in The Hague or who will visit a design event in Eindhoven.
- Germany remained the biggest source market for the Netherlands in terms of expected arrivals in 2017. The German economy continued to improve and this helped further growth of inbound arrivals. The number of inbound trips from Germans are forecasted to reach four million in 2017.
- Germans mainly take short trips to the Netherlands, and the Dutch coast in particular is a very popular destination for German tourists. The second most popular destination for German tourists in the Netherlands is a visit to Amsterdam.
- The majority of German tourists come by car and German tourists who live in the most-western provinces of Germany are the ones who are most likely to make a trip to the Netherlands.

Outbound Tourism Trends

- Domestic tourism is not as large as outbound travel, but is indeed a major element in the overall category of tourism. In 2017, a further increase is forecasted in domestic tourism, while growth was more modest when compared to the previous year. Because of the positive development of outbound travel, the potential growth of domestic tourism was lowered.
- For longer trips, Dutch travellers prefer to go abroad rather than embark on a domestic holiday, if they can afford it.

Travelling abroad gives more assurances of either sun, or in the case of skiing holidays, snow.

- As a result of the economic recovery, the Dutch developed a healthy appetite for outbound travel and the number of expected outbound trips posted a further increase. Because of the economic recovery, consumers' purchasing powers increased and unemployment levels dropped further. These positive developments all helped growth in the number of outbound trips.
- However, it was not all positive news. International political turmoil, geopolitical tensions and the threat of terrorism all limited growth of outbound travel. The fact that in the first half of 2017 there was a major diplomatic incident between the Dutch and Turkish governments is an example of an event that prevented outbound travel from recording higher growth.
- Due to the bad relationship between the two countries, outbound travel to Turkey is forecasted to decline in 2017. Other Mediterranean destinations profited from the decline in travel to this popular destination. Spain and Portugal, for example, were already very popular destinations, but these countries achieved further growth in terms of the number of Dutch visitors in 2017.
- Consumer economic confidence is expected to develop further over the forecast period and this will help outbound travel to grow. A further increase in the number of short-haul destinations by low cost airlines, as well as the development of the high-speed train network, will support growth in the number of outbound trips, as travellers are more likely to take relatively shorter trips abroad.

NETHERLANDS TRAVELLER TRENDS, 2016	
Paid holiday	20.0
Public holidays	9.0
Annual leave	29.0
Age profile	50-64 years (3.2 million)
Seasonality by month (Number of people)	July (3.2 million)
	August (2.7 million)
	June (2.3 million)
Top travel group size	Families (6.7 million)

Source: Euromonitor International, 2017



Source: Euromonitor International, 2017

Netherlands Digital Traveller Trends:

- Online travel sales to Dutch residents is expected to record strong growth in 2017, although the anticipated increase is not as strong as earlier in the review period. Mobile sales in particular posted strong development, as travel sales are very suitable for the development of the mobile channel.
- Business travellers in particular are very interested in booking through mobile apps, as this allows them to make travel plans while on the go. However, leisure tourists have also started booking more and more travel products through mobile devices.
- According to *Net Media Planet*, a digital marketing agency, 93% of the Dutch population shops online and it is primarily done through neighbouring countries such as France, Germany and the United Kingdom. Trends have also reflected in increase in the use of eWallets and direct debit.
- The Dutch have presented a strong enthusiasm to shop globally, coupled with a large online shopping population looking for choice and value from international suppliers.
- Online shopping jumped by 20% in the first quarter of 2016 in the Netherlands, and in 2015 the average order value in the Netherlands was €63. This value is continuing to increase, making this a profitable market for investment.
- Amsterdam has been ranked the front runner for digital work in the Netherlands. The city has been touted as a phenomenal creative space because it lacks the big city egos.
- Nine out of ten Dutch residents have internet access. Online presence in the Netherlands is well developed with high levels of engagement, and a strong preference to shop online.
- Netherlands has a high download speed average indicating access to quality internet connections. For

advertisers targeting the Netherlands as a potential place to do business, this translates to user ability to view rich media, such as video content, effortlessly.

- Smartphone and tablet penetration levels are high within the Netherlands, with smartphones reaching 69% (2016). Given this high usage rate, mobile strategy is important for any potential merchant entering the Dutch market. Tablets have a 65% share in the Netherlands of all retail related transactions.
- The popularity of video has seen double digit growth, and spend has increased by 28% to €98M. This is all because of the growth in mobile usage.
- 79% of users have a Facebook account, and the country is showing increasing levels of engagement with social media

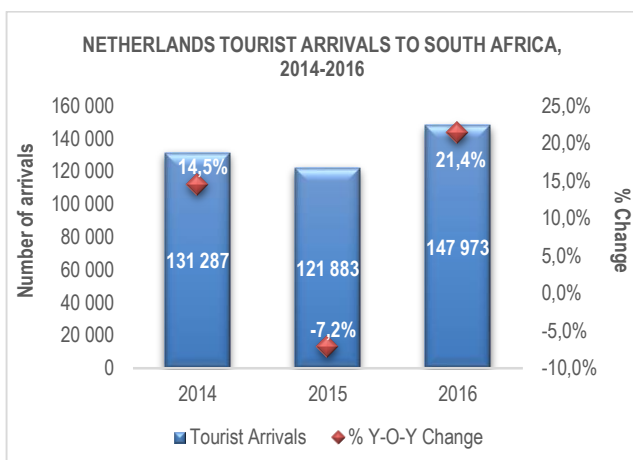
platforms. YouTube has high levels of usage, and Twitter and LinkedIn are important in the Netherlands as social channels.

- The Netherlands is ranked 13th in the world for e-commerce according to the A.T. Kearney global rankings.
- The Dutch are passionate consumers of digital media and this is reflected in the increase in digital advertising spend. In 2015, Dutch ad spend exceeded €1.5B, up by 8.3% from the previous year according to IAB Netherlands.
- Affiliate Networks spending also increased to €137M, while Paid Search still accounts for the largest output of budget spend in the Netherlands at 44%. Display spend is €615M. Mobile related Display advertising increased by 51% in 2015, accounting for 35% of total display advertising spend

Profile of the Netherlands Traveller to South Africa:

1. How many Netherlands tourists visit South Africa per year?

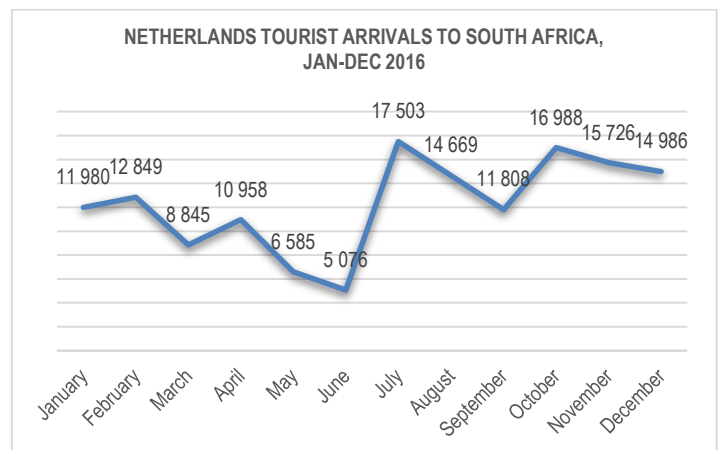
- 2016 ranked as the best performing year from the Dutch market. South Africa not only recorded the highest (147,973) number in arrivals, but also recorded its peak in year-on-year growth during 2016 (21.4%).



Source: SATourism, 2017

2. Which months do they prefer travelling to South Africa?

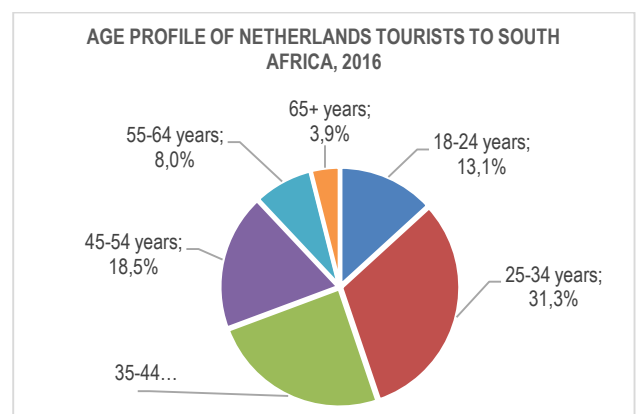
- The month of July reflected the highest volume from the Netherlands market, recording over 17,000 Dutch tourists.
- This comes as no surprise as the seasonality patterns indicated that the largest share of departures from the Netherlands takes place during July.



Source: SATourism, 2017

3. What is the age profile of the Netherlands tourists to South Africa?

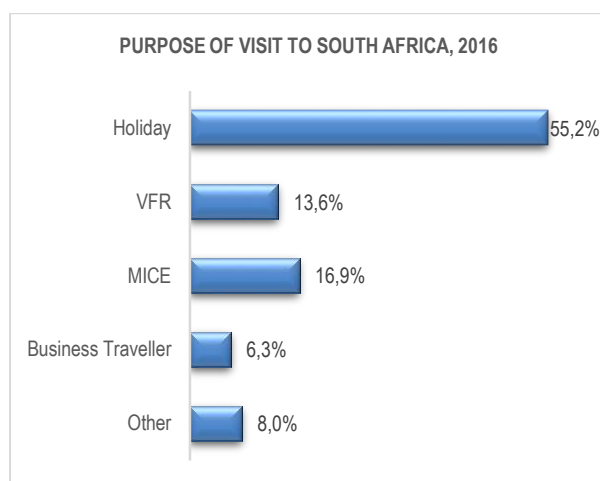
- Around 68% of Dutch tourists to South Africa are between the age groups of 18-24, 25-34 and 35-44 years. This represents a fairly young market with a healthy appetite for travel.



Source: SATourism, 2017

4. What is their main reason for travelling to South Africa?

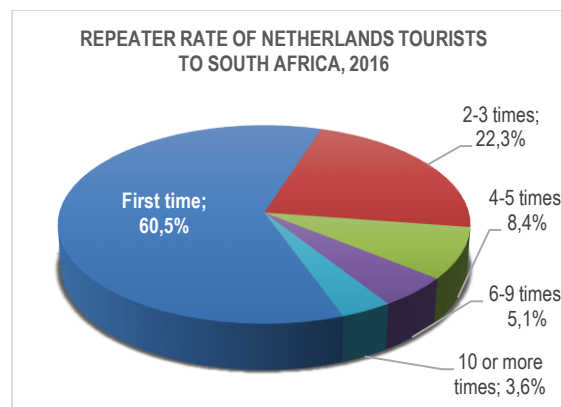
- Holiday ranked as the top reason for travelling to South Africa, accounting for over 50% of the market. Around 23.2% of the Dutch tourists travelled to South Africa for business, of which 16.9% specifically travelled for MICE (Meetings, Incentives, Conferences and Exhibitions), and 6.3% enjoyed leisure activities as well.



Source: SATourism, 2017

5. How often do Netherlands tourists travel to South Africa?

- Slightly over 60% of the Dutch market travelled to South Africa for the first time. 22.3% visited South Africa 2-3 times before while 3.6% visited 10 or more times.

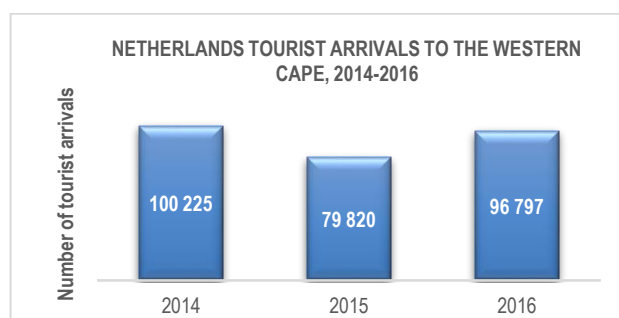


Source: SATourism, 2017

Profile of the Netherlands Traveller to the Western Cape:

1. How many Netherlands tourists visit the Western Cape per year?

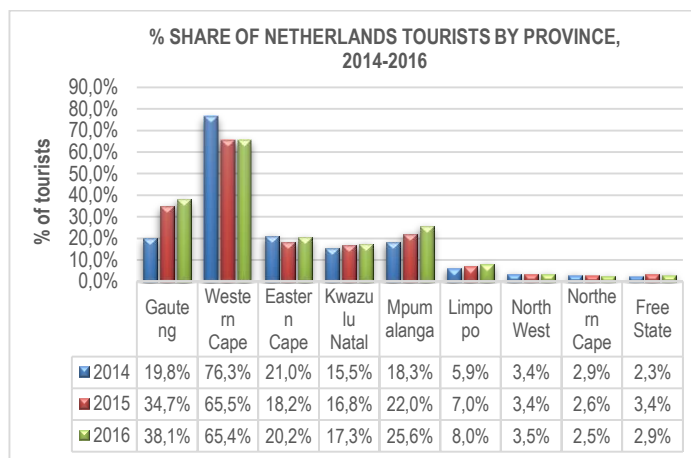
- In spite of the drop in 2015, the Dutch market recovered well in 2016, rising by 21.3% year-on-year. Europe ranks as the Western Cape's strongest contributor to tourist arrivals, and the Netherlands in particular ranks amongst the top 5 international as well as long-haul markets to the Western Cape.



Source: SATourism, 2017

2. How attractive is the Western Cape to the Netherlands market?

- Of all provinces, the Western Cape consecutively held the highest share of Dutch tourists across the years 2014-2016.



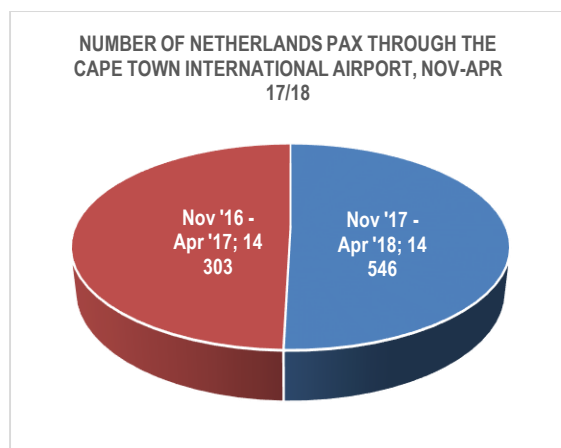
Source: SATourism, 2017

NETHERLANDS TRAVELLER TRENDS	2015	2016	% Change
Total Foreign Direct Spend in the Western Cape	R0.8 billion	R1.0 billion	+24.9%
Average spend in the Western Cape	R12,400	R13,200	+6.5%
Total bed nights spent in the Western Cape	908,000	952,000	+4.8%
Total formal bed nights spent in the Western Cape	619,000	637,000	+2.9%
Average length of stay in the Western Cape	13.8 nights	12.3 nights	-

Source: SATourism, 2017

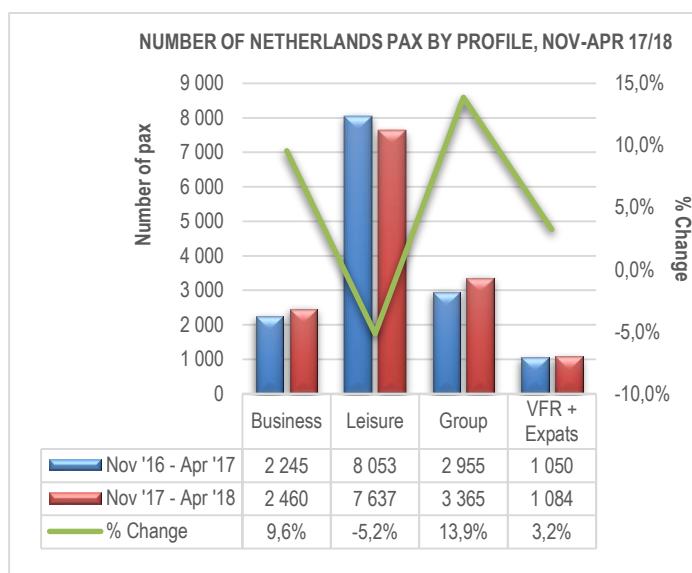
LOOKING AHEAD: Do we foresee continued growth from the Netherlands market?

- A total of 14,546 Dutch arrivals are expected to arrive through the Cape Town International Airport between November 2017 and April 2018, and are forecasted to increase by a marginal 1.7% year-on-year.



Source: Forwardkeys, 2017

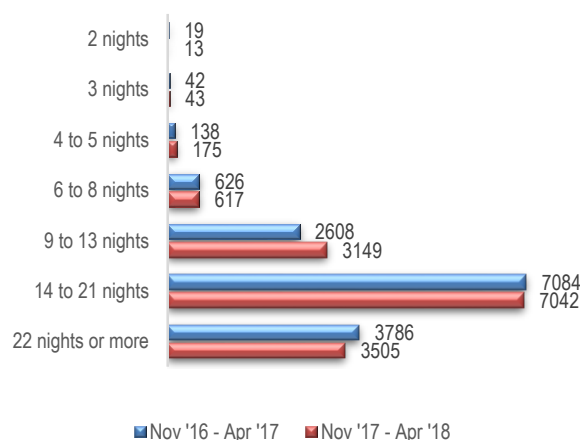
- ForwardKeys booking trends for the six months ahead indicate "leisure" as the largest pax profile amongst the anticipated Dutch travellers. However, the leisure travellers reflect a year-on-year drop of 5.2%. Groups and business travellers are expected to increase by 13.9% and 9.6% respectively.



Source: Forwardkeys, 2017

- The largest share of Dutch arrivals is expected to stay for an average of 14-21 nights (7,042) between November and April 17/18, followed by over 3,505 travellers who will be staying for an average of 22 nights and more in the province.

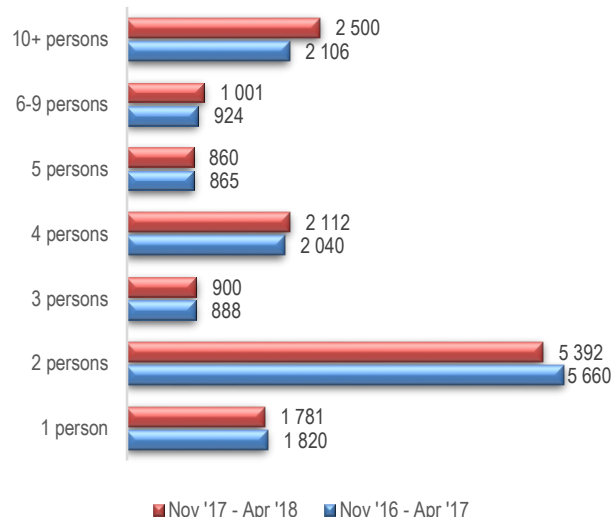
LENGTH OF TRIP (TOTAL NIGHTS), NOV-APR 17/18



Source: Forwardkeys, 2017

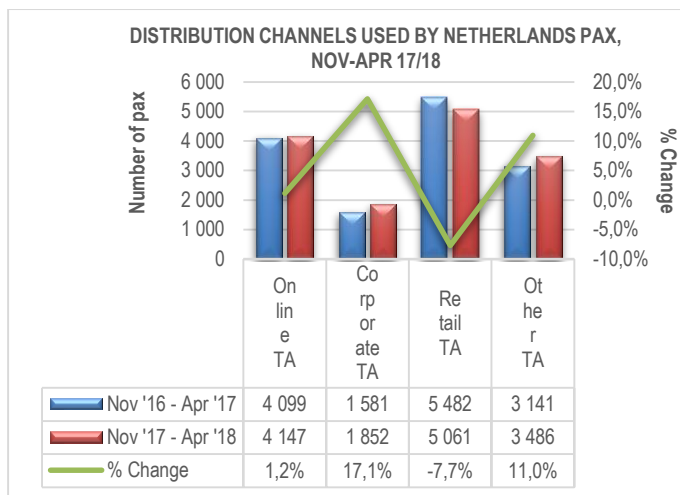
- The most prominent number of pax per booking were 2 persons/couples (5,392), followed by bookings of 10 pax and more (2,500), and underlining the popularity of group travel amongst the Dutch travellers.

NUMBER OF NETHERLANDS PAX PER BOOKING, NOV-APR 17/18



Source: Forwardkeys, 2017

- The top distribution channel used by the Dutch market for the six months ahead was Retail Travel Agencies, with over 5,000 bookings made via this channel. Other travel agencies which portrayed strong year-on-year growth included the Corporate Travel Agents, which recorded the highest (17.1%) growth when compared to the same period of the previous year.



Source: Forwardkeys, 2017

Key findings for Destination Marketers:

- Around 68% of Dutch tourists to South Africa are between the age groups of 18-24, 25-34 and 35-44 years. Globally, around 3.2 million outbound departures in 2016 were travellers aged 50-64 years. This indicates a strong opportunity for South Africa to attract a greater share of retiree/senior travellers, given that global trends indicate a healthy appetite for travel from this segment.
- For longer trips, Dutch travellers prefer to go abroad rather than embark on a domestic holiday, if they can afford it. Travelling abroad gives more assurances of either sun, or in the case of skiing holidays, snow. Marketers should therefore tailor their packages to meet the demands and specific needs of this market.
- For this market, travel agencies emerged as the top channel for bookings. It is therefore important for marketers to link to suppliers which has a direct influence in the decision-making process.

- Globally, families emerged as a popular travel group size. Marketers can therefore include family friendly activities and packages as part of their marketing strategies.
- Business travel have also emerged as a strong segment from this market. This can not only be seen in the share of business travellers who entered South Africa in 2016, but also in the Dutch forward bookings for the six months ahead.

For more information on this publication and other Wesgro publications please contact research@wesgro.co.za or for more publications visit the Wesgro publications portal on our website at <http://wesgro.co.za/publications>

Wesgro has taken every effort to ensure that the information in this publication is accurate. We provide said information without representation or warranty whatsoever, whether expressed or implied. It is the responsibility of users of this publication to satisfy themselves of the accuracy of information contained herein. Wesgro cannot be held responsible for the contents of the publication in any way. © Wesgro, 2017